

**CITY OF NEW RICHMOND
COMMUNITY DEVELOPMENT AUTHORITY
THURSDAY, MAY 5, 2016**

Pursuant to due call and notice thereof, a meeting of the Board of Commissioners of the Community Development Authority was called to order by Chair Jason Zahradka at 8:00 a.m. on May 5, 2016.

Members Present: Scottie Ard, MaryKay Rice, Jason Zahradka, John Soderberg, and Jessie Klopp

Members Absent: James Jackson and Larry Moore

Others Present: Andy Pratt, Steven R. Fenlon, Ed Boeve, Colleen Hammer, and Marie Bannink

Scottie Ard moved to approve the agenda, seconded by Jessie Klopp, and carried.

MaryKay Rice moved to approve the minutes of the February 5, 2016 meeting, seconded by Jessie Klopp, and carried.

Public Hearing to consider financing for the ESR building:

Andy Pratt, Attorney from Eckberg Lammers, explained the following information to the CDA: ESR, Inc. (formally East Suburban Resources, Inc.), is looking to purchase an approximate 1.6-acre parcel of land in the City's industrial park, located at the corner of St. Croix Avenue and Wisconsin Drive. The City currently owns this property. ESR will then construct a new facility on this property to serve its mission to support adults with developmental disabilities and other special needs by helping them integrate into the larger community and gain meaningful employment. The total project cost is anticipated to be around \$1.0 million, \$850,000 of which ESR is proposing to borrow on a tax-exempt basis. ESR just completed a similar financing in Minnesota through the Washington County Housing and Redevelopment Authority, allowing ESR to finance the acquisition of some property in Forest Lake to assist its non-profit mission. Most importantly, there is no responsibility for the CDA or the City to repay any of this debt. ESR is solely responsible to repay the debt over 20 years. MidWestOne Bank has done its due diligence on this financing, and will also take a mortgage against the property for security against nonpayment. After the CDA issues the bonds and the transaction is closed, the CDA and the City will have no further obligations with regards to this issue.

Public Hearing was open for comment.

Steve Fenlon stated Central Bank will be the firm holding the financing for ESR. Ed Boeve, executive director for ESR stated they been in St. Croix County for two years; and they assumed responsibility for St. Croix Industry Services. The bonds will be used to fund the purchase of property and a new building. Hearing closed.

Scottie Ard moved to approve the ESR financing, seconded by Jessie Klopp, motion carried.

Announcements:

No announcements.

Scottie Ard moved to adjourn the meeting, seconded by MaryKay Rice, and carried.

Meeting adjourned at 8:13 a.m.

Minutes by Marie Bannink